



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
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February 28, 2017

VIA ECF

Hon. Vernon S. Broderick
United States District Judge
Thurgood Marshall Courthouse, Room 415
40 Foley Square
New York, NY 10007

Re: SEC v. Galanis, et al.;
No. 15 Civ. 7547 (VSB)

Dear Judge Broderick:

We represent the Plaintiff, Securities and Exchange Commission ("Commission"), in the above-referenced matter.

As directed by the Court's endorsed Order, entered December 1, 2015 (DE 19) (the "Stay Order"), on the parties' Stipulation and Order staying the instant matter pending resolution of a parallel criminal case filed against Defendants, the Commission provides the following status letter.

As detailed in our previous status reports, each of the defendants in the parallel criminal action, United States v. Galanis, et al., 15 Cr. 643 (PKC) (S.D.N.Y.) ("Criminal Action"), has pled guilty to or been convicted of various criminal charges.¹ As of today, judgments have been entered with respect to all but Gary Hirst, who is scheduled to be sentenced on March 17, 2017, and Gavin Hamels, whose sentencing has not yet been set. Restitution orders and amended judgments are expected to be entered against defendants in the next 90 days or so.

Under the terms of the Stay Order, Defendants in this action have 60 days following entry of judgments against all of them in the Criminal Action to move, answer or otherwise respond to the Complaint. The Commission has approached each Defendant regarding settlement of its claims, but has not been successful in those efforts. Accordingly, we respectfully propose that we notify the Court when the last judgment is entered in the Criminal Action and that the Court set a scheduling conference for as soon thereafter as possible. If there is a delay in the Criminal

¹ The criminal indictment names a seventh defendant, Ymer Shahini, who is not named in the Commission's complaint, and who remains at large. The Stay Order does not condition the lifting of the stay on any judgment being entered with respect to Shahini.

Hon. Vernon S. Broderick

February 28, 2017
Page 2

Action, the Commission will file its next status report on June 1, 2017, or on whatever earlier date the Court directs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nancy A. Brown', with a long horizontal flourish extending to the right.

Nancy A. Brown

cc: All Defendants via email or overnight mail